



UTILITIES COMMITTEE

APRIL 8, 2016

4:00 P.M.

COUNCIL CHAMBERS

- 1. 2016 STORMWATER DESIGN MANUAL UPDATES**
DOUG CHRISTENSON, UTILITIES CIVIL ENGINEER
(VERBAL - NO ATTACHMENT)

- 2. BRENTWOOD WATERLINE REPLACEMENT UPDATE**
AUBREY ARGERIS, DESIGN & CONSTRUCTION MANAGER
(VERBAL – NO ATTACHMENT)

- 3. UTILITY BILL PRINTING INTERLOCAL AGREEMENT**
TROY WOO, FINANCE DIRECTOR
(STAFF REPORT ATTACHED)

- 4. WATER QUALITY BRIEFING**
JULIE RECTOR, WATER QUALITY ANALYST
(VERBAL – NO ATTACHMENT)



UTILITIES COMMITTEE
April 8, 2016

SUBJECT: Department of Enterprise Services Utility Bill and Business and Occupation Tax Printing Services Interlocal Agreement

RECOMMENDATION: Upon review and concurrence, motion to recommend full City Council authorization of the interlocal agreement.

STAFF CONTACT: Scott Spence, City Manager *SS*
Troy Woo, Finance Director *TW*

ORIGINATED BY: Troy Woo, Finance Director
Kristy Wolf, Accounting Manager
Stephanie Tonelatto, Customer Services Supervisor

ATTACHMENTS: 1. [Draft Interlocal Agreement](#)

FISCAL NOTE: Total annual printing services not to exceed \$62,313.12

PRIOR REVIEW: None

BACKGROUND:

The City of Lacey currently contracts with BIT Marketing Solutions located in Renton, Washington, for utility bill as well as utility penalty letter printing and mailing. Printing services occur twice per month, once for monthly utility bills and once for penalty notices. BIT Marketing Solutions prints and mails bills plus penalty notices within two days of receiving electronic files from the City.

The City's Business and Occupational tax forms are printed and mailed from APEX services. Efficiencies and consistencies will be gained by consolidating the department's printing and mailing to one entity.

During 2015, BIT Marketing Solutions printed and mailed 259,659 bills and 44,926 penalty letters. The 2016 projections include a 2.5 percent increase to the printing and mailing volumes. It is also anticipated that four extra inserts will be included in the monthly utility

bills throughout 2016. The City mails approximately 10,000 Business and Occupational tax forms per year. An increase of two percent is expected during 2016 due to the increased business licensing activity experienced since partnering with the State's Business Licensing Service.

The Washington State Department of Enterprise Services (DES) currently processes the City's mail, so a printing partnership would consolidate bill printing and mail services with the same entity. Customers should receive their monthly utility bills one to two days sooner. Once the conversion is complete, the bills and notices will be mailed from the downtown Olympia post office. Currently, the bills are printed and mailed from Renton.

During 2015, the City incurred costs of \$61,762 for printing services including inserts. Using the estimated amount of the increase in bills, penalty letters and the current printing rates, 2016 printing costs are expected to be \$63,306. The DES proposal will not exceed \$62,313 for one year. This is an annual savings of \$993 projected for 2016.

It is requested that the Utilities Committee review the proposed interlocal agreement and recommend that the City Council authorize the City Manager to sign the interlocal agreement.

ADVANTAGES:

1. Savings of \$993 is expected for the first year of the agreement.
2. The City's existing partnership with DES Consolidated Mail Services will assist with the transition.
3. If the agreement is authorized, the monthly utilities bills will be mailed from Olympia, which will provide utility customers more timely notice and allow for a longer payment period.

DISADVANTAGES:

1. None identified.

**INTERLOCAL AGREEMENT
BETWEEN
STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES
AND
CITY OF LACEY**

This Interlocal Agreement (“Contract”) is entered into by and between the City of Lacey, a municipal government (“City of Lacey”) and the Washington State Department of Enterprise Services, a Washington State governmental agency (“Enterprise Services”), pursuant to the Interlocal Cooperation Act, RCW Chapter 39.34, effective as of May 1, 2016.

The City of Lacey Contractor staff member responsible for management of this Contract is:

Name: Scott Spence
Title: City Manager
Address: 420 College St SE, Lacey WA, 98503
Phone Number: 360-438-2629
E-mail Address: sspence@ci.lacey.wa.us

The Enterprise Services Program Manager responsible for the management of this Contract is:

Name: Judy Lorenzo
Title: Print and Mail Operations Manager
Address: 7580 New Market St, Tumwater WA, 98501
Telephone Number: 360-664-4330
E-mail Address: judy.lorenzo@des.wa.gov

STATEMENT OF WORK

This is a new book of business for Enterprise Services’ Printing & Imaging operation, which will include data manipulation and printing of monthly statements and utility billing, delinquent notices and quarterly B&O tax statements. There will also be occasional public information notices that will be printed and inserted. Enterprise Services’ Consolidated Mail Services (“CMS”) will handle the mailings.

PERIOD OF PERFORMANCE

Subject to its other provisions, the period of performance of this Agreement shall commence when this Agreement is properly signed, and continue until terminated by either party, as provided herein.

COMPENSATION

Compensation for the work provided in accordance with this Agreement has been established

under the terms of chapter 39.34.130 RCW.

Enterprise Services will invoice City of Lacey for actual work provided as detailed in **Exhibit "A."** The parties have estimated that the cost of accomplishing the work herein will not exceed sixty two thousand three hundred dollars twelve cents (\$62,313.12) per year. Payment for satisfactory performance of the work shall not exceed this amount unless the parties mutually agree to a higher amount prior to the commencement of any work which will cause the maximum payment to be exceeded.

BILLING PROCEDURE

Enterprise Services shall submit invoices monthly in arrears to the City of Lacey. Payment for the service will be made by warrant or account transfer to Enterprise Services within thirty (30) days of receipt of the invoice consistent with instructions provided by Enterprise Services. Upon expiration or termination of this Agreement, any claim for payment not already made shall be submitted within thirty (30) days after the expiration or termination date or the end of the fiscal year 2016, whichever is earlier.

RECORDS MAINTENANCE

The parties to this Agreement shall each maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review or audit by personnel of both parties other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

Records and other documents, in any medium, furnished by one party to this Agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or, make available, this material to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

AGREEMENT ALTERATIONS AND AMENDMENTS

This Agreement may be amended by mutual Agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

NO INDEMNIFICATION

Each party to this Agreement shall be responsible for its own acts and/or omissions and those of its officers, employees or agents. No party to this Agreement shall be responsible for the acts and/or omissions of entities or individuals not a party to this Agreement.

TERMINATION

Either party may terminate this Agreement upon thirty (30) days' prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

TERMINATION FOR CAUSE

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within fifteen (15) working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

DISPUTES

To the extent practicable, the parties shall attempt to informally resolve disputes arising out of the performance of this Agreement. Disputes shall be resolved in a timely manner at the lowest possible level with authority to resolve the dispute. If a dispute persists and cannot be resolved, it may be escalated within each organization. In the event of disagreement, either party may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process shall control.

WAIVER

A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement, unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

AGREEMENT MANAGEMENT

The program manager for each of the parties shall be responsible for and shall be the contact

person for all communications and billings regarding the performance of this Agreement.

INTEGRATED AGREEMENT

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

EXHIBITS

All exhibits referred to herein are deemed to be incorporated in this Agreement in their entirety.

COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Agreement at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Agreement.

EXECUTED AND EFFECTIVE as of the day and date first above written.

State of Washington
Department of Enterprise Services

City Of Lacey

By: Phil Grigg
Name

By: _____
Name

Title: Assistant Director, Business Resources

Title:

Signature: _____

Signature: _____

Date: _____

Date: _____

Exhibit A**P&I Base**

Category	Item Description	Quantity	Printing Price
Base Stock	Utilities Masters	144,000	\$3,177.02
Base Stock	#10 Window Envelope	144,000	\$3,865.82
Base Stock	#9 Return Window Envelope	144,000	\$4,312.79
Base Stock	Buck Slip	24,000	\$872.43
Processing	Utility processing & mailing	24,000	
Processing	Late Notice Processing and mailing	4,000	

Annual Quar

Stock and Processing

Processing Price	Base Stock Cost Per Piece	Processing Cost Per Piece	12 Month Quantity	12 Month Totals
	\$0.0221		288000	\$6,354.04
	\$0.0268		288000	\$7,731.64
	\$0.0299		288000	\$8,625.58
	\$0.0364		144000	\$5,234.58
\$2,424.94		\$0.1010	288000	\$29,099.28
\$439.00		\$0.1098	48000	\$5,268.00
\$2,863.94			Yearly Cost	\$62,313.12
Monthly Processing Cost				

Quantity Based off 24,000 x 12 Months = 288,000

